



## **Impact on Contractors**

- **Process shortened - Prepared to Play**
  - **Simplified Acquisition Procedures to \$5M (Test)**
  - **CBD Synopsis and Solicitation**
- **Commercial Contracts**
  - **SF 1449**
  - **FAR 12.301 Five Provisions (Block 27a on SF 1449)**
  - **Should include customary commercial terms and conditions for specific marketplace**

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## **Impact on Contractors**

- **FAR 12.301**
  - **Instructions to Offerors (FAR 52.212-1)**
  - **Evaluation (FAR 52.212-2)**
  - **Offeror Representations (FAR 52.212-3)**
  - **Contract Terms and Conditions (FAR 52.212-4)**
  - **Contract Terms Required to Implement Statutes or Executive Orders (FAR 52.212-5)**

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## **Impact on Contractors**

- **Commercial Items purchased in conjunction with FAR Part 13, Part 14, and Part 15**
- **Proposals should utilize commercial product literature to maximum extent possible for support**
- **Firm Fixed Price or Fixed Price (EPA) only**

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## **Impact on Contractors**

- **Certified Cost and Pricing Data generally not required, but adequate support is needed**
  - **Price must be determined fair and reasonable (many techniques)**
  - **Price not considered reasonable just because on published price list**
  - **Price supported by data regularly maintained by contractor (sales data, invoices to other customers, comparison to similar items, etc.)**

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## **Impact on Contractors**

- **Reliance on Contractor's QA System in most cases**
- **Warranties**
  - **Merchantability - Fitness for ordinary purpose**
  - **Implied - Fitness for particular Government use**
  - **Express**
- **Reliance on Contractor for all resources required to produce**

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## **Impact on Contractors**

- **Commercial type Financing (FAR 32.2)**
  - **Exceeds Simplified Acquisition Threshold**
  - **Customary in specific marketplace**
  - **Best interests of Government**
  - **Adequate Security**
  - **Not Exceed 15 Percent of contract price**
- **For Solicitations late is late**

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## **Impact on Contractors**



- **Termination for Cause in lieu of Termination for Default**
  - **Contractor required to notify PCO ASAP for excusable delay**
  - **Based upon principles in UCC**
  
- **Termination for Convenience**
  - **Percentage of contract price based on percentage complete and other reasonable costs resulting from the termination**
  - **Based upon standard accounting practices not FAR Part 31 Cost Principles**

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## **Conclusions**

- Contractor's product line determine extent of impact
- Implementation evolving as all parties gain experience
- Important that we get it right

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